

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (5/24):
BUTTER: Grade AA closed at \$1.0300. The weekly average for Grade AA is \$1.0400 (-.0592).

CHEESE: Barrels closed at \$1.1700 and blocks at \$1.2000. The weekly average for barrels is \$1.1680 (+.0145) and blocks, \$1.2000 (+.0090).

NONFAT DRY MILK: Extra Grade closed at \$0.9400 and Grade A at \$0.8800. The weekly average for Extra Grade is \$0.9400 (N.C.) and Grade A, \$0.8800 (N.C.).

BUTTER: Butter markets are weak. Churning schedules across the country remain strong as cream volumes continue to be readily available to most butter operations. Ice cream production is slowly increasing, but at a lower level than most butter producers anticipated. Cream offerings remain quite heavy and most butter producers anticipate these offerings will remain heavy through the Memorial Day holiday weekend. Stocks of butter continue to run well ahead of last year at this time. As of the end of April, cold storage stocks were 76% (85.9 million pounds) heavier than last April. Bulk and print butter orders were fair this week as buyers prepared for the holiday weekend. Butter import figures for the first third of 2001 were released this week. For the period of January – April, butter imports subject to licensing requirements totaled 4.6 million pounds nearly 33% behind the comparable period last year. High tier imports totaling 712,000 pounds, were about 16% behind the January – April 2001 period. Trade contacts state that they are not surprised at the lighter import volumes this year, especially when one looks at where cash prices were during April of last year. This year the cash price at the CME started the month of April at \$1.2250 and closed out at \$1.1300. For last year, April started at \$1.6800 and finished at \$1.8975, although during the month, the price reached \$2.0125.

CHEESE: The cheese market is weak. Current interest is fair at best. Current offerings are at least adequate for needs. Mozzarella supplies are burdensome, occasionally discounted, and some plant operators are reluctant to make additional volumes just to put into storage. Process cheese movement is generally steady at moderate levels. Barrels and good processing solids are generally in better balance than blocks. Current cheese production is seasonally heavy with most plants on extended schedules through the holiday weekend. Cheese yields are declining seasonally.

FLUID MILK: Milk production is seasonally increasing throughout the nation. Volumes in the Pacific Northwest and California are reportedly the heaviest in recent years. Class I sales are steady to lower as some schools begin summer recess. The upcoming holiday weekend is also deterring fluid movement into bottling facilities and encouraging shipments into manufacturing plants. Most manufacturing plants are operating at capacity or on extended schedules. Eastern and Western plants are not anticipating any problems with the excess milk volumes expected over the holiday weekend. However, offering prices for expected distressed loads in the Midwest are being discussed as production time is limited in the area. Condensed skim movement is mostly steady to somewhat slower. The fluid cream market is weak. Less than seasonal interest from ice cream manufacturers is encouraging cream movement into churns at lower multiples. Distressed loads of cream are expected over the holiday weekend.

DRY PRODUCTS: Dry dairy product markets are generally weak. With less milk clearing into bottling, production of dry dairy products is increasing. Each region of the nation is heavily offering NDM to the CCC. Spot interest is light and only as needed. Buttermilk stocks are building as producers continue to await increased interest from ice cream facilities. Whey markets are lackluster. Supplies are burdensome and difficult to move domestically and internationally. Lactose prices are unchanged yet the market remains weak. Some buyers are attempting to renegotiate contract prices for the present quarter. Domestic and imported supplies of high protein whey are competitive with WPC 34% into feed markets. Export interest in WPC 34% is improving yet prices continue to adjust lower.

CCC (May 20-24): For the week of May 20-24, CCC purchased 18,283,965 pounds of NDM. Of the total, 4,718,364 pounds originated in the East, 1,600,178 pounds in the Midwest, and 11,965,423 pounds from the West.

CCC (May 13-17): Due to FSA computer problems, CCC purchase information for the week of May 13-17 was delayed (see page 13). For the week of May 13-17, CCC purchased 24,620,328 pounds of NDM. Of the total, 1,986,617 pounds originated in the East, 2,702,696 pounds in the Midwest, and 19,981,015 pounds from the West.

COLD STORAGE (NASS): During April, U.S. cold storage holdings of butter total 198.2 million pounds, 36.0% more than a month ago and 76.5% higher than last April. Natural American cheese holdings total 508.6 million pounds, 2.1% heavier than a month ago, and 1.1% more than a year ago. Nonfat dry milk holdings at the end of March total 1,015.0 million pounds, 5.1% higher than last month and 28.3% more than last March. The government holds 85.8% of the total nonfat holdings.

APRIL FEDERAL MILK ORDER PRICE & POOL SUMMARY (DAIRY PROGRAMS): During April, about 11.0 billion pounds of milk were received from producers. This volume of milk is 11.1% higher than the April 2001 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +7.2%.) About 3.8 billion pounds of producer milk were used in Class I products, 4.4% higher than the previous year. The timing of the Easter season, as well as calendar composition, likely had a positive impact on milk used in Class I in 2002 as compared to 2001. The all-market average Class utilization percentages were; Class I = 35%, Class II = 9%, Class III = 45%, and Class IV = 11%. The weighted average statistical uniform price was \$12.26, \$0.06 lower than last month, and \$2.06 lower than last year.

SALE OF CCC-OWNED NDM FOR THE MANUFACTURE OF CASEIN OR CASEINATE (FSA): The CCC invites competitive offers, subject to the terms and conditions of Announcement RSCS1 to buy from CCC an undetermined quantity of NDM packed in 25-Kg. bags. Offers are due by 11:00 A.M. CDT, June 10, 2002 with a public release of awards issued 4:00 P.M. CDT, June 14, 2002. For further information, contact the Dairy Procurement and Inventory Branch, 816-926-6620.

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**CHICAGO MERCANTILE EXCHANGE
 CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 20	TUESDAY MAY 21	WEDNESDAY MAY 22	THURSDAY MAY 23	FRIDAY MAY 24	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1625 (+.0075)	\$1.1675 (+.0050)	\$1.1700 (+.0025)	\$1.1700 (N.C.)	\$1.1700 (N.C.)	+.0150	\$1.1680 (+.0145)
40# BLOCKS	\$1.2000 (N.C.)	\$1.2000 (N.C.)	\$1.2000 (N.C.)	\$1.2000 (N.C.)	\$1.2000 (N.C.)	N.C.	\$1.2000 (+.0090)
NONFAT DRY MILK EXTRA GRADE	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	\$.9400 (N.C.)	N.C.	\$.9400 (N.C.)
GRADE A	\$.8800 (N.C.)	\$.8800 (N.C.)	\$.8800 (N.C.)	\$.8800 (N.C.)	\$.8800 (N.C.)	N.C.	\$.8800 (N.C.)
BUTTER GRADE AA	\$1.0600 (-.0375)	----	\$1.0300 (-.0300)	----	\$1.0300 (N.C.)	-.0675	\$1.0400 (-.0592)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 20, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.1625; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000
 BUTTER — SALES: 10 CARS GRADE AA: 1 @ \$1.0850, 1 @ \$1.0825, 2 @ \$1.0775, 1 @ \$1.0900, 1 @ \$1.0850, 2 @ \$1.0800, 1 @ \$1.0750, 1 @ \$1.0600; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ \$1.0875, 1 @ \$1.0900, 1 @ \$1.0925, 1 @ \$1.0950, 1 @ \$1.0975, 1 @ \$1.1000, 1 @ \$1.1100, 1 @ \$1.1200

TUESDAY, MAY 21, 2002

CHEESE — SALES: 1 CAR BARRELS @ \$1.1675; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1675
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000

WEDNESDAY, MAY 22, 2002

CHEESE — SALES: 1 CAR BARRELS @ \$1.1700; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000
 BUTTER — SALES: 15 CARS GRADE AA: 4 @ \$1.0050, 1 @ \$1.0025, 1 @ \$1.0000, 2 @ \$1.0050, 1 @ \$1.0075, 1 @ \$1.0050, 1 @ \$1.0075, 1 @ \$1.0100, 1 @ \$1.0200, 1 @ \$1.0275, 1 @ \$1.0350; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.0050, 1 @ \$1.0000, 2 @ \$0.9000; OFFERS UNCOVERED: 10 CARS GRADE AA: 1 @ \$1.0300, 1 @ \$1.0450, 2 @ \$1.0575, 1 @ \$1.0600, 1 @ \$1.0650, 1 @ \$1.0700, 1 @ \$1.0800, 1 @ \$1.0900, 1 @ \$1.1000

THURSDAY, MAY 23, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000

FRIDAY, MAY 24, 2002

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.1700
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE A @ \$0.9000
 BUTTER — SALES: 15 CARS GRADE AA: 1 @ \$1.0000, 1 @ \$1.0175, 2 @ \$1.0225, 1 @ \$1.0200, 1 @ \$1.0250, 1 @ \$1.0275, 2 @ \$1.0300, 2 @ \$1.0350, 2 @ \$1.0300, 1 @ \$1.0275, 1 @ \$1.0300; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ \$1.0225, 1 @ \$1.0125, 1 @ \$1.0000, 1 @ \$0.9900; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.06

BUTTER MARKETS

APRIL COLD STORAGE

According to NASS, April month-ending cold storage figures for butter total 198.2 million pounds, 76.5% higher than the amount held last April and 36.0% more than March 2002 holdings.

NORTHEAST

The market tone is weak despite the rising price at the CME. The price at the CME on 5/20 fell nearly 4 cents to \$1.0600. This occurred prior to the release of the April Cold Storage report that shows that butter inventories are growing much faster than the normal, seasonal pattern. Churning activity in the East is little changed at heavy levels. However, the improved demand for cream from Class II and III channels did help ease the volumes of excess cream last week. Bulk and packaged butter supplies are excessive of current needs. The possibility of lower prices does have some buyers taking a wait and see posture towards long-term purchasing. Demand for bulk remains slow and packaged sales are just fair. The upcoming holiday weekend does have some distributors more active this week, but for the most part, it is business as usual. Sales of bulk butter, f.o.b. East, are reported in a range of flat market to 4 cents over the CME price/average.

CENTRAL

Butter markets are weak as prices decline at the CME and production continues to surpass demand. Producers indicate that cream offerings remain plentiful. Often butter producers are in a position to name their price and pricing structure. The CME price the day of shipment or day of delivery are often being used as a basis at this time. Cream handlers are quite surprised at the slow growth in ice cream

production this year. It is late May and ice cream production is being reported as fair at best. Butter producers are anticipating additional cream offerings will become available to them during the upcoming Memorial Day holiday weekend. Stocks of butter are readily available for the fair demand. Recent orders were somewhat stronger due to a slight firmness in the cash price and the upcoming holiday, but now have eased. Some retail outlets have scheduled feature activity over the holiday weekend with food service businesses preparing for the start of the summer vacation season. Bulk butter for spot sale is selling in a range of flat - 2 cents per pound over various pricing basis and often these prices are negotiable, especially if multiple loads are involved.

WEST

Most Western contacts are not surprised at the seven-cent decline in cash prices at the CME over the last three trading days. Production remains very heavy seasonally and demand is only fair at best. Buyers are placing regular replacement orders, but are not looking for any additional product. Production is expected to increase even further over the next few weeks because of the holiday and the upcoming closing of schools for the summer backing even more milk into manufacturing channels. Cream demand from the ice cream industry is increasing slowly. Cold storage stocks of butter on April 30 total 198.2 million pounds, an increase of 76.5% (85.9 million pounds) since last year. Stocks increased by more than 700,000 pounds per day for the first four months of the year to reach this total. Weekly CME butter stocks continue to grow at a very fast pace. This last week, stocks were up by 5.5 million pounds. The industry has never seen this level of growth this late in the production year. Stocks now stand at 136.5 million pounds, a continuing record. Current prices for bulk butter range from 5 cents to 2 cents under market based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY	MILKFAT	
	40# BLOCKS	BARRELS 38% MOISTURE				CLASS II	ALL CLASSES
MAY 18	1.2181 7,281,359	1.2063 14,667,096	0.8992 31,444,094	1.0428 3,989,263	0.1714 12,189,544	1.4193 1,563,102	1.4248 3,656,164

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

CME weekly average cheese prices have moved lower for four consecutive weeks. The market tone is weak. Surplus milk supplies in the East are heavy and cheese makers have all the milk they need/desire available to them. Cheddar stocks are mounting, mostly in aging programs. Mozzarella stocks are also growing as sales start to ease. Overall demand for cheese is slow to fair. Some orders for June Dairy Month promotions are being filled. However, some contacts state that the whole "June Dairy Month thing" isn't what is used to be. April, total cheese cold storage holdings total 751.8 million pounds, 5.6% more than a year ago and 2.9% above last month.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2525-1.7175
Cheddar Single Daisies	:	1.2100-1.6700
Cheddar 40# Block	:	1.3300-1.5400
Process 5# Loaf	:	1.3625-1.5475
Process 5# Sliced	:	1.3825-1.6600
Muenster	:	1.4125-1.6200
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled but generally trading within a trading range. Current demand is generally fair, best where firms are preparing June Dairy Month specials or items needed in summer tourist areas. Process movement continues to be generally stronger than natural overall. Barrels are adequate though a few discounted loads are noted from seasonal balancing plants. Mozzarella supplies are heavy and demand is often lighter. Reports indicate that some long-term deals on mozzarella are available from plants outside the Midwest at a discount. Cheese production is seasonally active with a few plants further south within the region likely at peak annual levels. Recent seasonally cool weather patterns (a few recent nights with frost) may extend and/or delay peak levels. Most plants are operating on extended schedules in order to handle local receipts and, in instances, fluid supplies from other areas. Fat and protein levels are declining, particularly where more cattle are grazed or get early green chop.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.3725-1.6100
Brick And/Or Muenster 5#	:	1.5500-1.7500
Cheddar 40# Block	:	1.5100-2.1150
Monterey Jack 10#	:	1.7400-2.1150
Blue 5#	:	1.9325-2.2800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4950-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9175-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES : MAY 20 - 24, 2002

BARRELS*	:	\$1.1475 - 1.1800
	:	(-\$.0325) (-.0150)
40# BLOCKS	:	\$1.1900 - 1.2150
	:	(\$.0100) (-.0275)

() Change from previous week. * If steel, barrel returned.

WEST

Prices for natural and process cheese have declined for four consecutive weeks. Most sellers are noting that sales activity is slowing down. Buyers don't seem to see any immediate need to have much extra cheese on hand. They believe production will be extremely heavy for the next 3-4 weeks due to the holiday weekend and because of schools closing for the summer. As has been the case recently, the barrel/process side of the market is in better shape than current blocks. Most contacts expect this trend to continue. More reports are of extra mozzarella cheese being made available, some with a fair amount of age on it. Swiss sales activity is showing some signs of softening. Cold storage stocks of American cheese on April 30 totaled 508.6 million pounds, an increase of only 1.1% from last year. Most contacts noted that this small increase was generally supportive of the market. Swiss stocks, at 15.4 million pounds, are up 24.4% from a year earlier. The trade seems to believe that a combination of softer demand and more production capacity is the culprit for the growing stocks.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3050-1.5650
Cheddar 40# Block	:	1.3100-1.4500
Cheddar 10# Cuts	:	1.4900-1.7100
Monterey Jack 10#	:	1.5000-1.6650
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

FOREIGN

Prices are steady to lower and the market tone is unchanged. Demand for imported and/or domestically made cheeses is slow to fair. Stocks are adequate to meet current needs. The new Farm Bill has been signed and importers are assessing the aspects of the new bill as they pertain to their businesses, particularly the advertising/promotional fee on all imported dairy products. Reports in Europe note that milk supplies are up significantly from year-ago levels and cheese makers are not eager to make additional cheese at a time when the EU cheese market seems to be weak.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	TFEWR	: -0-
Blue	:	2.6400-3.1400	: 1.5550-3.0450*
Gorgonzola	:	3.2400-5.9400	: 2.0550-2.4900*
Parmesan (Italy)	:	TFEWR	: 2.9700-3.0250*
Romano (Italy)	:	2.1000-3.1500	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 1.5575-1.7875*
Romano (Cows Milk)	:	-0-	: 2.7475-4.9275*
Sardo Romano (Argentina)	:	2.8500-3.2900	: -0-
Reggianito (Argentina)	:	2.6900-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7500-3.6900	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.6000-2.8500	: -0-
Swiss Cuts Austrian	:	TFEWR	: -0-
Edam	:		
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-2.8900	: -0-
Gouda, Large	:	2.3900-2.6500	: -0-
Gouda, Baby (\$/Dozen)	:		
10 Ounce	:	27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

		BUTTER : CHEESE	
05/20/02	61,788	:	134,090
05/01/02	52,956	:	126,129
CHANGE	8,832	:	7,961
% CHANGE	17	:	6

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	109	0	80	0	194
SOUTHEAST STATES	0	0	0	0	0	0

During April, milk production in the 20 major states totaled 12.51 billion pounds, up 2.9% from April 2001. The following are the April-to-April changes for selected states: Pennsylvania +0.9%, Kentucky +1.3%, Texas +2.9%, Virginia +3.1%, Vermont +4.1%, New York +4.8%, and Florida -5.7%. Currently, milk production is steady. Much cooler weather returned to much of the East. Snowfall and/or frost were reported from New England to the Carolinas. It continues to be wet in the northern half of the region. Fieldwork and alfalfa cutting are behind normal, seasonal schedule. Cooler temperatures in Florida and other Southeastern states are slowing milk production declines. There have been reports of milk output rebounding in some areas. This, coupled with school closings, has surplus milk volumes increasing in the Southeast where manufacturing plants are all operating at or near capacity and expect to be at those levels well into June. The Memorial Day weekend milk volumes are shaping up to be heavier than the past four-five years have been. Contacts are well prepared and they feel that milk volumes will be handled within the region. Bottled milk sales are slower because of the holiday weekend and the fact that many Southern schools have already closed for the summer. This weekend marks the "opening of the shore" for summer, but bottlers report little change in orders from resort-area retailers. The condensed skim market is little changed, but orders are slower for the weekend and some cheese makers have cut back their operations to five days a week due to slower demand. This further adds to the milk and condensed skim that has to be processed. The fluid cream market remains weak, but spot interest has shown some improvement. However, some cream users will be down for an extra day this weekend. Spot prices are up as the CME butter average for last week jumped more than six cents. However, CME trading this week saw butter drop nearly four cents on Monday (5/20). This is leading some buyers, especially butter makers, to take cream based on the CME, date of delivery. Multiples are steady to slightly lower this week. Ice cream production is slow to develop, particularly soft serve. The cold weather is having a negative impact on frozen product consumption. Cream cheese production is about steady. Bottled cream sales are improving as strawberries are coming into season. Churning activity is still heavy, but some plants were able to cut back when their cream demand improved.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3410-1.4509
DELIVERED EQUIVALENT ATLANTA	-	1.3300-1.4619 M 1.3300-1.3850
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.2360-1.4509

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	.9200-1.0250
NORTHEAST- CLASS III - SPOT PRICES	- .7500-.9600

M I D W E S T

Class I demand is generally steady though occasionally lower where schools and colleges are finished for the regular year. A few promotions are offsetting slower institutional sales. Production of dips, cottage cheese, sour, and whipped cream is also active, often for holiday and/or graduation needs. Manufactured milk interest is weak and supplies are burdensome. Many handlers have been setting up homes early for extra milk diverted into manufacturing over the long holiday weekend. Also, the loss of a major cheese account had one sizeable milk buyer back additional fluid volumes into an already burdened market. Manufacturing space is limited at most plants. Spot milk prices vary, in part by when deals were set up, ranging from a couple at -\$1.00 to +\$.50, mostly close to flat class price. Offers for weekend distressed loads at -\$1.50 are on the table. Cream offerings and prices vary by day as some ice cream manufacturers are trying to take an extended holiday weekend, backing additional volumes into churners. Some recent cream sales are based on the most recent CME daily changes, not the previous week average butter price. Ice cream sales have often been sluggish, at least in part hurt by unseasonably cool weather. Current milk intake patterns are inconsistent. Milk intakes seem to have peaked in parts of Indiana, though there seems to be little to keep cows from maintaining current levels. Other plant operators are saying intakes are flat or have done little since March. Fat and protein tests have declined

sharply in heavy grazing areas and off seasonally elsewhere. Current cool temperatures have slowed emergence as well as alfalfa growth. Some very limited acreage of hay/haylage has been cut, yields are expected to be down. Many farmers are still active in spring tillage and planting operations as conditions have been less than favorable for planting in many areas east of the Mississippi.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 16 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 41.00- 47.00	\$ 44.00- 49.00
REPLACEMENT HEIFER CALVES	\$550.00-750.00	\$350.00-450.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 16 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.50- 47.50	\$ 44.00- 54.00

W E S T

April U.S. MILK PRODUCTION for the 20 Selected States is down slightly from March at 12.5 billion pounds, an increase of 2.9% from a year earlier. Cow numbers up 12,000 head and output per cow up 2.7% yielded the noted increase. Output for selected Western states compared to last year is as follows: Arizona +8.8%, California +4.9%, Idaho +5.9%, New Mexico +16.6%, and Washington +2.2%. Cow numbers in these five states increased 116,000 head and production per cow increases range from no change to up 8.9%. The cumulative increase for the first four months of the year for the 20 States is 2.5%. CALIFORNIA milk production continues to outpace year ago levels. Milk cow numbers are reported to be 60,000 above last April. In the southern milk producing areas, milk intakes are keeping plants full and room for extra processing is not available. Balancing plants are being used to handle the continued heavy milk supplies. There is not a good option for handling the milk since all commodity prices are weak and extra inventories are not really wanted. Fluid orders are holding mostly steady with some adjustments made for the upcoming Memorial Day, especially into schools. Contacts are not expecting any problems handling milk supplies over the holiday weekend. Processing plants in the Central Valley continue to run on extended schedules. Rains and severe storms rolled through early in the week. Rains were generally in the 1/2 to 1 inch range, so the direct impact on the milk herds is initially low. The rain is expected to affect the quality of down hay, but will help with regrowth while lessening irrigation needs. Pasture growth in the northern milk producing areas are providing good forage for milk cows and responses to the feed are favorable. Milk processing is available for the current milk volumes. The milk output in ARIZONA is holding at levels just off from the seasonal peak. Weather conditions remain dry, have been hotter for daytime highs, but have cooled at night. NEW MEXICO milk production is steady to slightly higher seasonally at levels well above a year ago. Milk cows continue to be added into the state's herds and production per cow is higher than last year. Weather conditions are generally favorable. The current spring flush in milk production in the PACIFIC NORTHWEST is being called the heaviest in the past few years. Plant operators believe they will be able to handle the extra milk that will become available over the holiday weekend in an efficient manner. More milk is expected as schools close over the next few weeks for the summer recess. Crop progress is slow in the region. Corn growth is behind schedule and the new crop hay harvest is about three weeks later than average. Shower activity is causing some problems for those trying to harvest early, good quality alfalfa. Some milk producers are somewhat concerned by the up tick in grain prices caused by wet conditions in the eastern Corn Belt. Heifer prices remain strong in the region. Good shower activity is noted this week over much of NORTHERN UTAH. Amounts approaching an inch were extremely welcome. Showers were also noted in SOUTHERN IDAHO, but amounts were much lower. Crop progress in the region is slow, hampered by continued cold conditions. Hay cutting is still a few weeks off which is later than normal. Scattered frost is still noted and some new snow occurred at higher elevations. No problems are expected processing milk this holiday weekend. Heifer prices are higher than noted a few weeks ago. The majority of permits have been granted for a substantial new dairy operation in extreme northern Utah, near the Idaho border. Thoughts vary from regional contacts about the timing and size of the operation. CREAM markets remain weak as the CME butter price shows ongoing fluctuations, lower midweek by 6.75 cents. Buying interest is lower than expected and the basing point fluctuations are not helping secure sales. Demand is slower for delivery late in the week due to the holiday. Multiples are lower and in-state California overages are reduced to keep cream moving and provide some incentives for buyers to take cream. Some buyers expect to find some distressed loads offered around the weekend. Cooler temperatures over population centers are keeping ice cream consumers idle. Western multiples range from 103 to 121 range, F.O.B.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are generally unchanged. The market is trending steady with some firms attempting to garner sales above the 90-cent support level. Heavier movement into the CCC in the West is causing some Central buyers to be shorted loads and encouraging spot activity in the Central region. As rumors of a tilt change diminish, increased imports of NDM are appearing at prices well below the bottom of the range. Production of low heat is steady to higher as plants take in seasonally heavier volumes. Demand is light to fair and best into cheese and ice cream facilities. Spot loads of high heat are available for the fair interest.

EAST: Prices are mostly steady and the market tone remains weak. With Memorial Day approaching, Class I milk demand is slower. This is pushing more milk into manufacturing channels. Also, some users of condensed skim are shutting down for a day or two. Therefore, dryers are operating on longer schedules and some plants now have more than one dryer in operation. Historically, Memorial Day weekend is one of, if not the heaviest weekends of the year for milk disposition and this year milk volumes are heavier than they have been in several years. Demand for NDM is slightly better as more buyers are coming back into the market for replacement loads. More contacts feel that a tilt is "not eminent" and a little flurry of buying activity has been noted. However, no one is certain about the tilt and buyers/users at all levels of the market are keeping inventories as light as possible. Producers who can or choose to are still offering to CCC as a way of managing their stocks. Prices for spot sales are seldom higher than the support price for truckload quantities.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8900 - .9525 MOSTLY: .8900 - .9000
 HIGH HEAT: .9300 - 1.0000

NONFAT DRY MILK - WEST

Western low/medium heat prices moved lower on the bottom ends of both the range and mostly price series. The market tone remains very weak. Surplus NDM continues to be heavily offered to the CCC through the support program. Buying interest remains light as buyers have no incentive to store powder under current market conditions. Drying schedules remain heavy. There is little new news to affect the market. Some additional interest is noted from ice cream producers. Prior committed DEIP orders continue to be filled. During the week of May 13 - 17, adjusted support program purchases totaled 24,620,328 pounds of NDM with 19,931,015 pounds from the West. Western high heat prices are higher on the top end of the range in limited trading. Demand is slightly improved to various seasonal accounts. Production levels are varied and depend on orders and dryer space available.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUM HEAT: .8700 - .9600 MOSTLY: .8900 - .9000
 HIGH HEAT: .9150 - .9500

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
May 17	\$.8983	16,296,663	11,388,337
May 10	\$.8995	12,327,314	8,131,580

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a mostly steady market. Trading is nominal and stocks are building. While most firms are unfettered by the growing inventories, some concern is being expressed as to when exactly ice cream production will pick up and alleviate heavy dry buttermilk stocks. Movement of condensed buttermilk into ice cream is generally steady to slightly higher. Production of dry buttermilk is higher as condensed buttermilk volumes are clearing into some custom dryers and being offered for sale at these locations.

F.O.B. CENTRAL: .8000 - .9000

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone remains weak. Eastern prices are nominal. Only a limited number of spot loads were reported. Producers are clearing contracted volumes, but stocks are growing at most plants, which is often typical this time of year. Stocks aren't growing real fast, but they are growing. Demand for liquid buttermilk is fair, but some ice cream plants will be down an extra day this weekend. Production remains moderate, but churning did ease slightly this week as cream demand started to improve. There may be little dryer time this weekend for buttermilk.

F.O.B. NORTHEAST: .7800 - .8500
 DELVD SOUTHEAST: .8000 - .8800

DRY BUTTERMILK - WEST

Dry buttermilk prices mixed in the West, but are trending lower in light to moderate trading. Some contacts are reporting more sales than in recent weeks. Buyers are in the market to replace depleted stocks and others because of increased seasonal activity. Overall, the market tone remains weak. Production is stronger than expected due to heavy churning and lower than expected sales of condensed buttermilk. Inventories are moderate to heavy and in excess of current trade needs.

F.O.B. WEST: .8100 - .8800 MOSTLY: .8400 - .8500

DRY WHOLE MILK - NATIONAL

Prices are steady and nominal. The market tone is little changed. Spot demand is sluggish and most output is geared toward filling contracts. There continues to be competition on the world market at prices less than half U.S. prices. Producer stocks are closely balanced with needs.

F.O.B. PRODUCING PLANT: 1.1500 - 1.2000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH MAY 17, 2002
 WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK — 68,201 MT (150,355,925 LBS)
 This program-year's allocation is filled.

CHEESE — 3,030 MT (6,679,938 LBS)
 This program-year's allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk — 68,201 MT; Cheese — 3,030 MT; Butterfat — 21,097 MT.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY – CENTRAL

Prices are lower on a weak market. While offering prices are trending lower, demand is not increasing accordingly. Some plants are considering additional outside storage instead of offering product. However, with growing milk supplies and weak international prices, this option may not be conducive. EU prices are reportedly competitive with US prices yet shipping rates may offer EU producers a slight advantage. Domestically, movement is best into feed operations. Resellers are seeking to buy multiple loads at a discount. Offerings are noted below the range. Production is reported as "strong" and stocks are heavy.

F.O.B. CENTRAL: .1600 - .1700 MOSTLY: .1600 - .1650

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly lower and the market tone remains weak. There is little change in the dry whey market. Producer offerings are light to moderate in the East, while reportedly excessive in the Midwest. One continues to hear reports of low-priced sales out of Midwest plants, but few Eastern producers are discounting prices. They do, however, generally follow the prices reported in the Central region. Most Eastern producers have spot loads available for sale, but seem to have little difficulty moving them at current market levels. However, traders report little spot market activity. Some are concerned with the relatively long period of time that this lackluster market has lasted and few see an end to it in the near future. The export market continues to be tested, but "to make things work" prices have to be lower than most producers are willing to go at this time. Production levels in the East are heavy as most cheese operations have an abundance of milk available this weekend.

F.O.B. NORTHEAST:	EXTRA GRADE	.1650 - .1700
	USPH GRADE A	.1800 - .2000
DELVD SOUTHEAST:		.1850 - .2000

DRY WHEY – WEST

The Western whey market is weak with stocks at many producer and reseller locations higher than desired. Contacts believe that the market will not find a bottom until inventories are in a more manageable position. The Western whey price range fell sharply and prices within the mostly series were also lower. The lower prices have succeeded in moving some additional whey into export channels, but overseas buyers are now more willing to wait and see how much lower prices will go. Competition from other areas of the world is more intense. Whey production over the next few weeks is anticipated to be extremely heavy due to the upcoming holiday, schools closing for summer recess, and because some operations are shifting raw whey out of more refined production back directly to the dryer.

NONHYGROSCOPIC: .1500 - .1800 MOSTLY: .1600 - .1750

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to lower. Milk replacer and roller ground supplies are generally in balance with demand and trading lower with changes in the Extra Grade market. Spot activity on delactose is increasing, especially with some buyers delaying load pick-ups and thereby encouraging price negotiations with producers. Delactose is mostly trading on a contractual basis with steady movement into the food industry. Some feed buyers are considering using the WPC and whey markets as a benchmark for contract negotiations in 2003. Early weaned pigs are trading lower and the North Central veal market is untested.

F.O.B. CENTRAL:	
MILK REPLACER:	.1400 - .1550
ROLLER GROUND:	.1550 - .1925
DELACTOSE (Min. 20% protein):	.3500 - .3975

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a weak market. While nutraceutical interest in WPC 80% is increasing, firms not yet positioned in the market continue to compete with WPC 34% for the limited feed interest. New Zealand and EU supplies of high protein whey and milk protein concentrate are also competing for WPC 34% demand. Feed buyers are generally operating on a hand-to-mouth basis while most movement into edible markets is contractual. Because WPC 34% is a competitive substitute for NDM, some renewed interest is occurring into export markets at the current lower prices. Spot sales are noted into Asia, South America and Mexico. Production is generally heavy with some distressed condensed volumes clearing into drying plants. Off grade supplies are available for the light interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .4875 - .5425 MOSTLY: .4875 - .5175

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a weak market. The lactose market is not expected to rebound until whey markets are in better balance. Some lactose producers are competing with whey and permeate manufacturers for the limited feed interest. Offerings of lactose remain heavy. EU prices are reportedly competitive with US prices. Shipping rates in the EU are noted as more attractive than US rates into some locations. Buyers are initiating negotiations for the 3rd quarter and attempting to renegotiate current contracts at lower prices. Production is steady to higher in light of seasonally higher milk volumes. Off grade supplies are available and trading at prices generally near the low end of the range.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .1500 - .2625 MOSTLY: .1600 - .2000

CASEIN – NATIONAL

Casein markets are weak with prices declining. Domestic buyers continue to place orders on an as needed basis. Most buyers are contracted with a source, but pricing structures are more flexible. For the most part, stocks are readily available for buyer needs. The production season has now ended in the Oceania region and is in full swing in Europe. Suppliers indicate that stock availability is not a concern for the next few months with prices anticipated to remain weak. Some domestic companies continue to explore the possibility of producing casein or caseinate with government owned NDM. Following the announcement by the Commodity Credit Corporation (CCC) which will make 300 million pounds of powder available, many potential buyers have additional questions. Information can be located at this internet site <http://www.fsa.usda.gov/daco/announcement/dairy/dairyannon.htm> CCC's objective is to issue monthly invitations with the first invitation to be released within the next few weeks. Casein producers throughout the world are closely monitoring the developments of this program and the potential impact it will have on their production schedules and export opportunities.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.1500 - 2.2500
ACID:	1.8000 - 2.1000

EVAPORATED MILK - NATIONAL

Prices are unchanged. The market tone is steady and remains highly competitive. Production levels may be higher as more surplus milk will be available in most sections of the country during the Memorial Day weekend. Demand is fair for this time of year.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CHICAGO MERCANTILE EXCHANGE FUTURESSelected settling prices, (open interest), and volume 1/

Month	05/08	05/09	05/10	05/13	05/14	05/15	05/16	05/17	05/20	05/21
CME - (CLASS III) MILK FUTURES -- Dollars per cwt.										
MAY 02	10.86 (1933) 72	10.80 (1899) 60	10.80 (1897) 2	10.80 (1897) 0	10.80 (1890) 9	10.80 (1805) 96	10.80 (1760) 31	10.80 (1760) 0	10.82 (1760) 5	10.81 (1734) 1
JUN 02	11.09 (2593) 109	10.85 (2604) 45	10.80 (2619) 79	10.83 (2615) 64	10.81 (2611) 30	10.81 (2600) 87	10.76 (2603) 8	10.76 (2602) 3	10.75 (2626) 127	10.70 (2634) 37
JUL 02	12.05 (2921) 59	11.81 (2882) 126	11.70 (2902) 106	11.73 (2880) 113	11.55 (2882) 192	11.53 (2871) 125	11.35 (2876) 50	11.43 (2856) 97	11.45 (2864) 89	11.32 (2866) 37
AUG 02	12.72 (2296) 181	12.52 (2321) 100	12.36 (2318) 103	12.42 (2296) 94	12.40 (2216) 200	12.30 (2190) 82	12.28 (2187) 61	12.28 (2214) 66	12.19 (2207) 103	12.02 (2209) 40
SEP 02	13.00 (2346) 175	12.89 (2341) 118	12.77 (2311) 112	12.81 (2341) 95	12.75 (2256) 202	12.70 (2316) 92	12.72 (2280) 25	12.71 (2304) 42	12.67 (2369) 88	12.51 (2401) 113
OCT 02	12.72 (1490) 153	12.61 (1518) 87	12.50 (1516) 31	12.53 (1524) 28	12.55 (1549) 61	12.52 (1575) 29	12.50 (1587) 12	12.45 (1637) 70	12.42 (1652) 23	12.32 (1662) 15
NOV 02	12.28 (964) 22	12.20 (968) 16	12.05 (973) 16	12.08 (974) 12	12.06 (983) 15	12.06 (1003) 23	12.06 (1003) 10	12.04 (1007) 13	11.99 (1009) 2	11.97 (1008) 8
DEC 02	12.08 (741) 23	11.97 (746) 8	11.86 (753) 13	11.92 (750) 23	11.85 (760) 10	11.82 (770) 13	11.82 (770) 3	11.80 (771) 6	11.68 (771) 3	11.60 (775) 7
JAN 03	11.68 (93) 23	11.58 (93) 11	11.45 (95) 2	11.45 (97) 2	11.40 (98) 6	11.45 (102) 12	11.45 (103) 4	11.45 (103) 0	11.45 (103) 0	11.40 (105) 3
FEB 03	11.45 (77) 5	11.35 (77) 0	11.35 (77) 0	11.35 (77) 1	11.33 (77) 0	11.33 (82) 5	11.33 (85) 3	11.33 (85) 0	11.33 (85) 1	11.31 (85) 0
MAR 03	11.45 (96) 7	11.45 (98) 2	11.35 (98) 2	11.35 (99) 1	11.33 (99) 0	11.33 (99) 5	11.33 (99) 3	11.33 (99) 0	11.33 (99) 1	11.33 (99) 0
APR 03	11.53 (61) 5	11.53 (61) 0	11.53 (61) 0	11.50 (62) 1	11.49 (63) 7	11.45 (63) 5	11.45 (66) 3	11.45 (66) 0	11.45 (66) 0	11.45 (66) 0
MAY 03	11.75 (39) 11	11.68 (48) 9	11.68 (48) 0	11.68 (48) 0	11.60 (49) 1	11.63 (50) 1	11.63 (50) 0	11.63 (50) 0	11.63 (50) 0	11.63 (50) 0
JUN 03	12.20 (2) 0	12.20 (2) 0	12.20 (2) 0	12.20 (2) 0	12.15 (3) 1	12.15 (7) 4	12.15 (7) 0	12.15 (7) 0	12.15 (7) 0	12.15 (7) 0

CME - CLASS IV MILK FUTURES - Dollars per cwt.

MAY 02	10.75 (250) 0	10.74 (196) 96	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0	10.63 (196) 0
JUN 02	10.75 (365) 0	10.75 (355) 41	10.80 (355) 10	10.80 (355) 20	10.85 (375) 50	10.90 (375) 0	10.75 (375) 0	10.75 (380) 20	10.75 (380) 0	10.75 (380) 0
JUL 02	10.90 (490) 12	10.75 (483) 39	10.76 (483) 0	10.76 (483) 0	10.77 (473) 10	10.90 (473) 0	10.90 (473) 0	10.90 (473) 0	10.90 (473) 0	10.90 (473) 0
AUG 02	10.90 (477) 3	10.80 (477) 0	10.80 (477) 0	10.80 (477) 0	10.80 (477) 0	10.80 (477) 0	10.80 (479) 4	10.97 (479) 0	10.97 (479) 0	10.90 (478) 1
SEP 02	10.90 (419) 0	10.90 (419) 0	10.90 (419) 0	10.90 (420) 1	11.00 (420) 0	11.00 (420) 0	11.00 (420) 0	11.00 (420) 0	11.00 (420) 0	11.00 (420) 0
OCT 02	10.90 (372) 0	10.90 (372) 0	10.90 (372) 0	10.90 (377) 5	11.00 (377) 0	11.00 (377) 0	11.00 (377) 0	11.00 (377) 0	11.00 (377) 0	11.00 (377) 0
NOV 02	10.90 (270) 0	10.90 (270) 0	10.90 (270) 0	10.90 (275) 5	11.00 (275) 0	11.00 (275) 0	11.00 (275) 0	11.00 (275) 0	11.00 (275) 0	11.00 (275) 0
DEC 02	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0	10.90 (119) 0
JAN 03	11.20 (47) 27	11.10 (48) 1	11.15 (48) 0	11.15 (48) 0	11.15 (48) 0	11.15 (48) 0	11.15 (48) 0	11.15 (48) 0	11.15 (48) 0	11.15 (50) 2
FEB 03	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.35 (38) 0	11.34 (38) 0	11.34 (38) 0
MAY 03	11.35 (20) 2	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0	11.25 (20) 0

CME - BUTTER FUTURES -- Cents per pound

MAY 02	103.50 (103) 0	103.50 (91) 1	106.50 (69) 0	110.50 (85) 17	112.00 (85) 3	110.00 (58) 0	109.00 (55) 5	108.00 (65) 16	105.00 (59) 15	102.80 (54) 0
JUL 02	108.00 (379) 6	107.50 (382) 4	111.00 (382) 0	113.00 (380) 23	115.00 (380) 6	114.50 (376) 0	112.00 (378) 3	111.00 (381) 7	109.00 (382) 7	106.25 (381) 5
SEP 02	111.00 (275) 4	110.50 (275) 1	114.00 (277) 2	116.00 (277) 5	117.00 (276) 7	117.25 (276) 0	117.25 (276) 0	115.00 (278) 5	112.25 (279) 15	109.25 (282) 4
OCT 02	112.00 (246) 0	112.00 (249) 8	115.00 (249) 2	117.00 (249) 0	117.02 (249) 3	119.00 (249) 0	119.00 (249) 0	116.50 (249) 0	114.50 (239) 29	110.00 (240) 5
DEC 02	112.00 (42) 0	112.00 (42) 0	112.00 (42) 0	112.00 (42) 0	112.00 (42) 0	114.00 (42) 0	114.00 (42) 0	114.00 (42) 0	114.00 (47) 6	110.00 (47) 0

CME - NONFAT DRY MILK FUTURES -- Cents per pound

JUL 02	88.00 (11) 0	88.00 (11) 0	88.00 (11) 0	88.00 (11) 0	88.00 (9) 2	88.00 (9) 0	88.00 (9) 0	88.00 (9) 0	88.00 (9) 0	88.00 (9) 0
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1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 13 - 24, 2002

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk handlers in Western Europe are reporting that milk receipts are heavy and many are indicating that the peak is over. Early projections are that milk output is 3% ahead of last year at this time. Strong growth continues to be reported out of the UK. April's output in the UK is running over 9% above last year and heavier than 2000 levels. Strong production growth throughout Europe is putting pressure on manufacturing facilities. In most instances, capacity is being stretched to accommodate the heavy volumes of available milk. Stocks of manufactured dairy products continue to build. Butter and skim milk powder continues to clear to intervention. The EU management committee met on May 16 and released the latest intervention figures for powder. As of that meeting, 64,000 MT of powder had been offered with 51,000 MT physically in store. The actual volume in store is the figure that everyone is monitoring. Traders, producers, and handlers now have varying opinions on the total volumes of powder that will clear to intervention and if or when the 109,000 MT will be attained. Some feel that offerings will slow now that milk production is on the down side of the peak, while others feel that offerings will remain quite heavy due to the lack of international sales activity. Another item that came out of the management committee meeting was a cheese subsidy adjustment. The 15% increase equates to about 130 dollars US. At this point, the adjustment is not having an impact on sales or potential sales, although this is putting downward price pressure for cheese from elsewhere in the world. Europeans are looking for almost any way to encourage buyer interest and the firmer Euro is one such ray of hope.

BUTTER/BUTTEROIL: Butter prices are basically unchanged, although the market tone remains weak. Milk production throughout Europe is at seasonal high levels, thus production of manufactured dairy products, including butter/powder, is heavy. At this point, most sales activity is centering around internal or domestic needs. International sales are very light. Stocks of butter are heavy to the point that large volumes are clearing to intervention and PSA.

82% BUTTERFAT: 1,000 - 1,100

99% BUTTERFAT: 1,250 - 1,350

SKIM MILK POWDER (SMP): Skim milk powder markets remain weak although prices have basically held steady. Butter/powder production continues to be seasonally strong throughout Europe and demand remains very light. Limited sales activity is occurring on small lot or immediate shipment purchases. It is very difficult to acknowledge immediate shipment requests, especially when paperwork for such sales and shipments takes 2 - 3 weeks for processing. Offerings continue to clear to intervention. As of last week, physical stocks in intervention have surpassed the 51,000 MT level. Traders and handlers have varying thoughts on if or when the intervention maximum level of 109,000 MT will be attained. Some feel that offerings will slow now that milk production is seasonally declining.

1.25% BUTTERFAT: 1,200 - 1,300

WHOLE MILK POWDER (WMP): The whole milk powder market tone remains weak, although prices held basically steady. Producers, handlers, and traders are hopeful that a bottom to the market might be at hand. Sales activity continues to be classified as slow and unaggressive, outside of the recent Eastern European sale a few weeks ago. Most buyer interest that is occurring is for limited volumes and near term deliveries.

26% BUTTERFAT: 1,250 - 1,350

SWEET WHEY POWDER: Whey powder markets are mixed with prices higher and lower within the reported range, although basically lower. Handlers report that prices are fluctuating higher and lower within a short period of time. Cheese production is seasonally strong, thus whey powder stocks are also on the rise. Even with prices fluctuating as they have, European prices remain higher than interested buyers are willing to pay.

NONHYGROSCOPIC: 325 - 400

OVERVIEW: EASTERN EUROPE: Milk production in Eastern Europe continues to increase. Eastern European milk production usually trails Western European production by 2 - 3 weeks, thus production is still increasing. Reports indicate that cows are now on pasture and milk volumes are generally strong. Manufacturing facilities are actively absorbing increasing milk volumes. Stocks of manufactured dairy products are low, thus current production is being used to fill commitments or inventoried for future sales. A recent significant sale to Algeria from some Eastern European countries will clear a good portion of supply during the next few months. Some traders and handlers are now questioning how much additional product will be available from this part of Europe, especially Poland, for future sales.

OCEANIA

OVERVIEW: For the most part, the milk production season is nearly at the end in the Oceania region, although handlers in some areas indicate continued strength late in the season. Producers and handlers report that the season is being stretched a little further into the fall than recent years. Some are indicating that this is a positive move and is a way to take advantage of and better utilize plants and their capacity further. Annual production projections are indicating that milk volumes were heavier in both New Zealand and Australia by 5 and 6% respectively. The fall season has been quite ideal for late season output in New Zealand, but cooler and wet conditions are reported in Australia. Australian milk handlers are projecting that the late season strength might quickly decline with less than favorable weather conditions now occurring. Overall, good weather patterns in both countries are factors milk handlers were stating that are contributing to a strong finish to the season. Typical now and for the next 3 - 4 months, producers will be filling orders from inventoried stocks. At this time, most producers are comfortable with stock levels in relation to known orders. Often, producers are stating that their stocks are in close balance and, for the most part, fully committed, although some spot buyer interest might be able to be filled. Oceania traders were optimistic that the recent Algerian purchase out of Europe would renew other international buyer interest, but no significant new sales are being reported as of yet. The overall market tone for Oceania produced dairy products remains weak, although producers and handlers are hopeful that the price slide during the production season just completed is at the bottom.

BUTTER: Oceania butter prices are basically unchanged, although the market tone remains weak. Producers and handlers of butter in Australia and New Zealand report that the production season is just about finished thus future orders will be filled from inventoried stocks. Most are indicating that stocks are in good balance with limited amounts classified as uncommitted. At this time, sales and trading activity continues to center around regular and ongoing buyer needs.

82% BUTTERFAT: 950 - 1,050

CHEDDAR CHEESE: Oceania cheese markets are steady to weak. Producers and handlers are closely monitoring European cheese markets and the impact the recent subsidy adjustment on cheese is having on sales and potential sales. At this point, no significant difference is being reported. Cheese stocks in Australia and New Zealand are in balance for current and projected needs. Most cheese producers are comfortable with their supply situation as they enter the winter months. Most cheese sales continue to center around ongoing customer needs.

39% MAXIMUM MOISTURE: 1,600 - 1,800

SKIM MILK POWDER (SMP): Skim milk powder markets remain weak with prices unchanged to slightly lower. Traders were optimistic that the recent Algerian purchase from Europe would trigger renewed international sales activity, but no significant developments have occurred. Stocks of Oceania powder are reported to be in balance with known and projected needs. Many producers and handlers are more comfortable with their supply situation going into the winter months than they were just a few weeks ago. Traders are hopeful that a bottom to the price slide of past months is at hand.

1.25% BUTTERFAT: 1,200 - 1,300

WHOLE MILK POWDER (WMP): Oceania whole milk powder markets are generally steady at unchanged prices, although the market undertone remains weak. Producers and handlers report that they are comfortable with current stock levels. The milk production season is basically over, thus orders and shipments will be filled from inventoried stocks. Buying interest continues to center around regular customer needs with no significant buyer interest being reported.

26% BUTTERFAT: 1,200 - 1,375

Exchange rates for selected foreign currencies: MAY 20, 2002

.6486 Canadian Dollar	.0204 Indian Rupee
.2813 Argentina Peso	.4679 Zealand Dollar
.1053 Mexican Peso	.5553 Australian Dollar
1.4586 British Pound	.0080 Japanese Yen
.2453 Polish Zloty	.9214 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1053)= 9.4967.

That is 1 US Dollar equals 9.4967 Mexican Pesos.

Source: "Wall Street Journal"

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

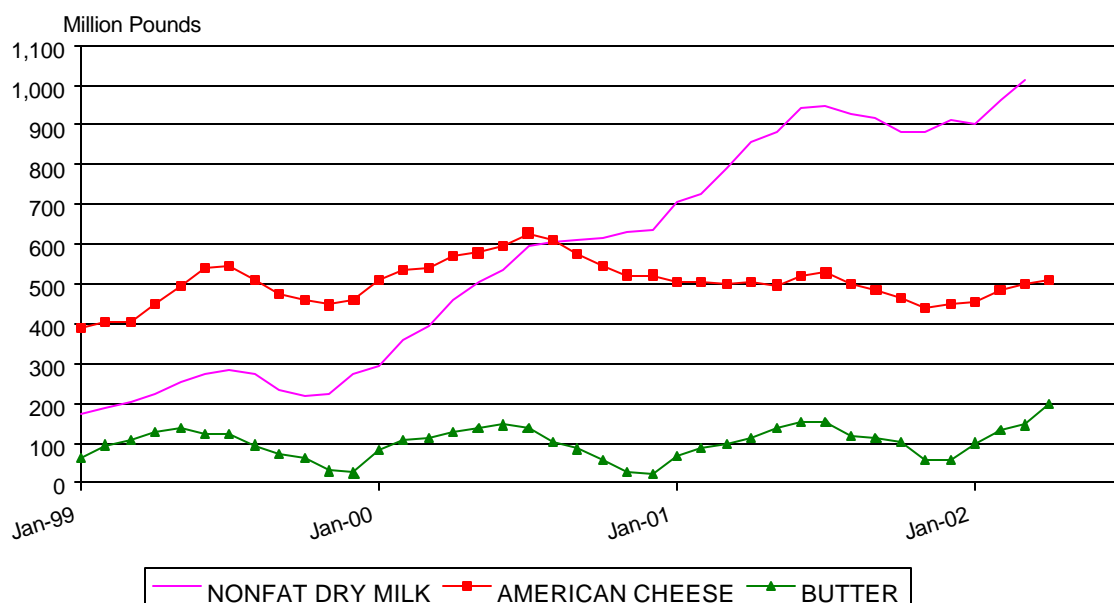
All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	MAR 31, 2000	MAR 31, 2001	REVISED MAR 31, 2002	APR 30, 2000	APR 30 2001	APR 30, 2002
Butter	114,037	96,208	145,735	126,865	112,318	198,206
Cheese, Natural American	540,625	500,430	498,183	569,699	502,951	508,568
Cheese, Swiss	14,786	12,680	12,790	15,041	12,340	15,353
Cheese, Other Natural	209,709	198,517	219,662	209,287	196,474	227,834
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS						
Butter	339	717	1,323	229	623	2,063
Natural American Cheese	57	1,955	733	24	1,986	626

APRIL COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
New England	20,438	23,490	20,488	---	---	---	658	415	429
Middle Atlantic	44,634	53,785	61,336	---	---	---	13,680	17,130	36,523
East North Central	273,157	221,677	187,339	---	---	---	98,855	105,744	111,869
West North Central	118,789	99,197	127,322	---	---	---	73,418	56,627	66,414
South Atlantic	4,426	6,235	3,698	---	---	---	518	196	171
East South Central	0	0	110	---	---	---	188	156	183
West South Central	371	529	3,544	---	---	---	466	530	239
Mountain	13,138	11,555	9,007	---	---	---	5,332	5,446	2,584
Pacific	94,746	86,483	95,724	---	---	---	16,172	10,230	9,422
TOTAL	569,699	502,951	508,568	126,865	112,318	198,206	209,287	196,474	227,834

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

U.S. Cold Storage Holdings



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2001 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	Million Pounds						Million Pounds						Million Pounds					
January	100	68	100	68	<u>3/</u>	<u>3/</u>	454	507	453	505	1	2	900	708	120	145	780	563
February	131	86	129	86	1	<u>3/</u>	485	506	484	504	1	2	966	726	142	138	823	589
March	146	96	144	95	1	1	498	500	497	498	1	2	1,015	791	144	123	871	668
April	198	112	196	112	2	1	509	503	508	501	1	2		858		127		731
May		138		137		1		497		496		2		882		134		747
June		153		153		1		522		520		2		945		166		779
July		151		150		1		528		526		2		950		147		803
August		118		117		1		499		497		2		930		109		821
September		111		111		<u>3/</u>		488		486		1		918		103		815
October		101		100		<u>3/</u>		463		462		1		885		100		785
November		58		58		<u>3/</u>		438		438		<u>3/</u>		882		113		769
December		56		55		<u>3/</u>		449		448		1		912		136		776

1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Mar 31, 2000	Mar 31, 2001	Mar 31, 2002	Apr 30, 2000	Apr 30, 2001	Apr 30, 2002
	Thousand Pounds					
Butter	113,698	95,491	144,412	126,636	111,695	196,143
Natural American Cheese	540,568	498,475	497,450	569,675	500,965	507,942

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (5-02) and "Dairy Products," Da 2-6 (5-02), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER ADVANCE PRICES, JUNE

Class I Base Price -- Under the Federal milk order pricing system, the Class I base price for June 2002 is \$11.03 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$7.23 and the advanced butterfat pricing factor of \$1.1577. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Class II Price Information --** The advanced Class IV skim milk pricing factor is \$6.80. Thus, the Class II skim milk price for June is \$7.50 per cwt., and the Class II nonfat solids price is \$0.8333. **Product Price Averages --** The two-week product price averages for June are, butter \$1.0643, nonfat dry milk \$0.8953, cheese \$1.2521, and dry whey \$0.1827.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION 1/ 2/				
Federal Milk Order Marketing Area 3/	Order Number	June 2002		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) 4/	001	14.28	10.48	1.1902
Appalachian (Charlotte) 5/	005	14.13	10.33	1.1887
Southeast (Atlanta) 6/	007	14.13	10.33	1.1887
Florida (Tampa) 7/	006	15.03	11.23	1.1977
Mideast (Cleveland) 8/	033	13.03	9.23	1.1777
Upper Midwest (Chicago) 9/	030	12.83	9.03	1.1757
Central (Kansas City) 10/	032	13.03	9.23	1.1777
Southwest (Dallas) 11/	126	14.03	10.23	1.1877
Arizona-Las Vegas (Phoenix) 12/	131	13.38	9.58	1.1812
Western (Salt Lake City) 13/	135	12.93	9.13	1.1767
Pacific Northwest (Seattle) 14/	124	12.93	9.13	1.1767
All-Market Average		13.61	9.81	1.1835

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus 0.05; and Minneapolis, minus, \$0.10. 10/ Class I prices at other cities are: Des Moines, minus 0.20; Omaha, minus 0.15; Oklahoma City, plus 0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I price at Boise is minus \$0.30. 14/ Class I prices at other cities are: Portland, same; and Spokane, same. price at Boise is minus \$0.30. 14/ Class I prices at other cities are: Portland, same; and Spokane, same.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, APRIL

HIGHLIGHTS -- Handler reports of receipts and utilization under the Federal milk order system for April have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During April, about 11.0 billion pounds of milk were received from producers. This volume of milk is 11.1 percent higher than the April 2001 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +7.2 percent.) About 3.8 billion pounds of producer milk were used in Class I products, 4.4 percent higher than the previous year. The timing of the Easter season, as well as calendar composition, likely had a positive impact on milk used in Class I in 2002 as compared to 2001. The all-market average Class utilization percentages were; Class I = 35%, Class II = 9%, Class III = 45%, and Class IV = 11%. The weighted average statistical uniform price was \$12.26 per cwt., \$0.06 lower than last month, and \$2.06 lower than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF APRIL 2002										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{2/}
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,241.1	9.4	872.3	3.4	39	15	32	14	12.94
Appalachian (Charlotte)	005	613.9	-0.7	369.1	8.2	60	15	11	14	13.43
Southeast (Atlanta)	007	733.2	4.2	401.7	2.4	55	9	23	13	13.23
Florida (Tampa)	006	240.9	0	211.4	0.1	88	8	3	1	14.93
Midwest (Cleveland)	033 ^{3/}	1,557.4	19.2	537.6	2.5	35	11	50	4	11.92
Upper Midwest (Chicago)	030 ^{3/}	1,779.4	5.5	343.5	9.5	19	3	76	2	11.35
Central (Kansas City)	032 ^{3/}	1,577.9	2.7	408.4	6.3	26	7	60	7	11.68
Southwest (Dallas)	126 ^{3/}	878.2	29.0	338.0	4.7	38	11	34	17	12.71
Arizona-Las Vegas (Phoenix)	131	279.5	4.8	78.5	1.3	28	5	37	30	11.79
Western (Salt Lake City)	135 ^{3/}	495.4	46.1	86.3	6.2	17	8	52	23	11.54
Pacific Northwest (Seattle)	124 ^{3/}	658.1	25.5	174.8	3.0	26	6	36	32	11.64
ALL MARKET AVERAGE OR TOTAL	^{3/}	11,034.9	11.1	3,821.6	4.4	35	9	45	11	12.26

^{1/} Names in parentheses are the major city in the principal pricing point of the market.

^{2/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{3/} Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 265 million pounds of milk that normally would have been associated with these markets. In April 2001, the estimated not-pooled volume of milk was 605 million pounds. After adjusting for these not-pooled volumes, the year-to-year percent change is +7.2.

EDITOR'S NOTE: Due to computer problems, CCC purchases for the week of May 13 – 17 were not available from the Farm Service Agency. The purchases for that week are presented below.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 13 - 17, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 5/10/02	SAME PERIOD LAST YEAR
<u>BUTTER</u>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>CHEESE</u>							
Block	-0-	-0-	-0-	-0-	3,050,083	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	4,025,276	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,999,600	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	11,074,959	-0-	-0-
<u>NONFAT DRY MILK</u>							
Nonfort	25,136,141	515,813	24,620,328	410,474,596	294,986,587	978,681,000	530,351,000
Fortified	-0-	-0-	-0-	-0-	27,655,246	46,391,000	37,731,000
TOTAL	25,136,141	515,813	24,620,328	410,474,596	322,641,833	1,025,072,000	568,082,000

1/ Includes butter equivalent of butteroil

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF MAY 13 - 17, 2002 =	5.4	302.4	COMPARABLE PERIOD IN 2001 =	1.3	71.4
CUMULATIVE SINCE OCTOBER 1, 2001 =	90.3	4,491.3	CUMULATIVE SAME PERIOD LAST YEAR =	173.2	3,865.2
CUMULATIVE JANUARY 1 - MAY 3, 2002 =	73.4	3,595.4	COMPARABLE CALENDAR YEAR 2001 =	56.7	2,382.6

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 13-17, 2002 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	2,702,696	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	19,931,015	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	1,986,617	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,995,440	19,167,724	3,502,074	4.7	49.8
WEST	-0-	-0-	-0-	5,039,919	365,409,075	319,139,759	89.0	49.7
EAST	-0-	-0-	-0-	39,600	25,897,797	-0-	6.3	0.5
TOTAL	-0-	-0-	-0-	11,074,959	410,474,596	322,641,833	100.0	100.0

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 20 - 24, 2002			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 5/17/02	SAME PERIOD LAST YEAR
<u>BUTTER</u>							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<u>CHEESE</u>							
Block	-0-	-0-	-0-	-0-	3,050,083	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	4,025,276	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,999,600	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	11,074,959	-0-	-0-
<u>NONFAT DRY MILK</u>							
Nonfortified	18,283,965	-0-	18,283,965	428,758,561	301,574,318	1,003,301,000	535,225,000
Fortified	-0-	-0-	-0-	-0-	28,051,923	46,391,000	38,128,000
TOTAL	18,283,965	-0-	18,283,965	428,758,561	329,626,241	1,049,692,000	573,353,000

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF MAY 20 - 24, 2002 =	4.0	212.8	COMPARABLE PERIOD IN 2001 =	1.5	81.3
CUMULATIVE SINCE OCTOBER 1, 2001 =	94.3	4,990.7	CUMULATIVE SAME PERIOD LAST YEAR =	174.7	3,946.5
CUMULATIVE JANUARY 1 - MAY 24, 2002 =	77.4	4,094.8	COMPARABLE CALENDAR YEAR 2001 =	58.2	2,463.9

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 20 - 24, 2002 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	1,600,178	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	11,965,423	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	4,718,364	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	5,995,440	20,767,902	3,502,074	4.9	32.1
WEST	-0-	-0-	-0-	5,039,919	377,374,498	326,124,167	88.0	67.7
EAST	-0-	-0-	-0-	39,600	30,616,161	-0-	7.1	0.2
TOTAL	-0-	-0-	-0-	11,074,959	428,758,561	329,626,241	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.8548 per pound; 1# Prints \$.8848

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239

NONFAT DRY MILK Nonfortified \$.9000 per pound; Fortified \$.9100; Instant \$1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 05/04/02 & Comparable Week 2001

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2002-Dairy	0.2	0.7	6.3	4.6	17.7	1.9	0.5	0.8	11.1	2.5	46.3	892.7	47.1	47.3
2001-Dairy	0.2	0.7	5.4	4.8	19.6	2.1	1.5	0.8	9.9	2.2	47.1	973.2	43.7	48.9
2002-All cows	0.2	0.8	8.5	12.5	26.6	12.4	14.5	3.3	14.1	5.7	98.4	1,889.0		
2001-All cows	0.3	0.8	7.0	14.9	28.9	14.0	17.8	5.0	12.8	6.5	107.9	1,989.6		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000-2001) AND BFP (1999) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80

FEDERAL MILK ORDER CLASS PRICES FOR 2002 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.96	11.95	11.62	11.47	11.26	11.03						
II	12.69	12.28	12.19	11.88								
III	11.87	11.63	10.65	10.85								
IV	11.93	11.54	11.42	11.09								

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmos/mib/cls_prod_cmp_pr.htm